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COVID-19 and the relevance of accounting information in equity valuation: Evidence from the Nigerian service firms

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Abstract
This study examines whether the COVID-19 pandemic has affected the value relevance of accounting information on how investors use key financial metrics; earnings, book value, dividends, and cash flow to assess the value of listed service firms in Nigeria (2016-2024). Using data from company financial reports and stock market records, we used multiple panel regression to analyze 20 out of 33 service firms listed on the Nigerian Exchange using STATA Software, our findings show that none of these financial indicators became significantly more (or less) important during or after the pandemic each remained relevant for stock valuation. This suggests that investors in the listed service firms still rely on a mix of earnings, book value, dividends, and cash flow when making decisions, regardless of economic disruptions. Listed service firms in Nigeria should maintain strong earnings and sustainable dividends as key to boosting investor confidence. The firms, should also manage their book value wisely and keep cash flows stable, aligning with industry standards. While this study focuses on Nigeria's service sector, future research could explore other industries or markets to see if the same trends hold true.

Keyword: Accounting information, COVID-19, service firms, share price, value relevance

1. Introduction

For decades, scholars have investigated the fundamental relationship between accounting information and market valuation a concept known as value relevance (Beisland, 2009; Holthausen & Watts, 2001) [5, 42]. This enduring line of inquiry examines whether financial statements provide investors with meaningful signals about a company's intrinsic worth. As the primary information system guiding economic decisions (Bello, 2009) [6], accounting data must satisfy critical qualitative characteristics timeliness, neutrality, and faithful representation to maintain its usefulness (IASB, 2018). The reliance of market participants on financial disclosures is well-documented (Healy & Palepu, 2001) [19]. In Nigeria, this dependence is reflected in the stringent reporting requirements of the Companies and Allied Matters Act (CAMA, 2020), which mandates first-tier listed entities to file semi-annual reports within 90 days of period-end, while second-tier firms submit annual disclosures. These regulatory measures ensure stakeholders receive current financial information for informed decision-making (SEC Nigeria, 2021) [43].

Investor valuation approaches vary significantly. While many market participants emphasize earnings capacity as justification for risk-taking (Pandey, 2010) [35], particularly in Nigeria's service sector where profitability drives dividend sustainability (Jensen & Meckling, 1976) [23] others adopt alternative perspectives. Some investors prioritize fundamental value metrics, including book value as a measure of downside protection (Fama & French, 1992) [16], while dividend clienteles focus on payout consistency (Lintner, 1956; Gordon, 1959) [26, 17]. Sophisticated investors typically conduct deeper analysis, distinguishing between accounting profits and cash realization (Dechow, 1994) [13]. Concerns emerge when earnings quality appears compromised by excessive credit sales (Omolehinwa, 2021) [33]. Firm size also factors into valuation considerations, with larger entities often commanding market advantages (Alvarez & Barney, 2007) [3] that influence investor preferences (Banz, 1981) [4]. The COVID-19 crisis represented an unprecedented stress test for financial markets.

Following the World Health Organization's pandemic declaration (WHO, 2020) [39], global equity markets experienced severe contractions, with advanced economies losing nearly 40% of market capitalization within weeks (Davis *et al*., 2021) [12]. Emerging markets, including Nigeria, suffered disproportionately (Ojeka *et al*., 2021) [44], prompting the Nigerian Exchange to implement emergency digital trading protocols (Nigerian Exchange Group, 2023) [28].

Service sector firms -spanning transportation, hospitality, and media were particularly vulnerable (Cashcraft Asset Management, 2023) [9]. While partial recoveries emerged by 2023, the rebound trajectory varied considerably across subsectors (Alade & Alade, 2021) [1], raising important questions about the stability of traditional valuation metrics during systemic shocks. Existing studies of pandemic impacts have been constrained by methodological shortcomings, including limited observation windows (Yuliwaryati *et al*., 2020) [40], restricted sample periods (Kumar & Kumara, 2020) [25], and oversimplified analytical approaches (Thomas *et al*., 2020) [38]. These limitations underscore the need for more rigorous longitudinal analysis (Brodeur *et al*., 2021) [7].

Our study addresses these gaps through two key innovations: First, we employ Chow's (1960) [10] structural break test to identify potential shifts in value relevance regimes. Second, we extend the Ohlson (1995) [30] valuation model to incorporate dividends, operating cash flows, and firm size as additional explanatory variables. By examining Nigeria's listed service firms across pre- and post-pandemic periods, we provide robust evidence regarding the stability of accounting information's valuation role during extraordinary market conditions. On the basis of the above, the following specific research questions have been raised

1. To what extent did the COVID-19 affect the value relevance of accounting earnings in explaining the share price of listed service firms in Nigeria?
2. To what extent did the COVID-19 affect the value relevance of the accounting book value of equity in explaining the market value of listed service firms in Nigeria?
3. To what extent did the COVID-19 affect the relevance of accounting dividends in explaining share price of listed service firms in Nigeria?
4. To what extent did the COVID-19 affect the value relevance of cash flow from operations in explaining the share price of listed service firms in Nigeria?

On the basis of the research questions, the following specific objectives have been raised

1. To determine the effect of the COVID-19 Pandemic on the value relevance of accounting earnings among the listed service firms in Nigeria.
2. To assess the effect of the COVID-19 Pandemic on the value relevance of the book value of equity among the listed service firms in Nigeria.
3. To evaluate the effect of the COVID-19 Pandemic on the value relevance of accounting dividends among the listed service firms in Nigeria.
4. To analyze the effect of the COVID-19 Pandemic on the value relevance of cash flow from operations among the listed service firms in Nigeria.

2. Literature Review

Under this section, the study reviewed related studies both empirical and otherwise, as well as the theory selected to underpin the study.

2.1 Review of Empirical studies

The outbreak of the COVID-19 pandemic brought unprecedented volatility to global financial markets, sparking a wave of scholarly inquiry into its implications for market behavior and the value relevance of accounting information. Although the crisis was universal, its effects on investor decision-making and financial reporting perceptions varied significantly across regions, reflecting differences in institutional contexts, market maturity, and behavioral dynamics.

In India, Thomas *et al*. (2020) [38] documented sharp sectoral shocks following the WHO's pandemic declaration, with financial services and pharmaceuticals recording immediate declines of 14.19% and 11.3%, respectively. Interestingly, government stimulus measures soon fueled recoveries in specific sectors such as fertilizer (11.73%) and services (10.29%). While this study shed timely light on market reactions, its reliance on graphical analysis rather than robust statistical testing leaves room for deeper quantitative investigations.

While global studies often highlight the dominance of earnings in driving share prices, research from African markets particularly Nigeria offers a more nuanced perspective. Kabir (2021) [24], in a study of 68 Nigerian industrial firms, found that both earnings and book value per share remained closely tied to market valuations, even during periods of economic instability. This suggests that traditional accounting indicators still hold weight among investors, reinforcing the relevance of fundamental analysis in uncertain times.

Building on this, a broader investigation by Odoemelam and Wobo (2025) [29] analyzed 1,800 firm-year observations across financial and non-financial sectors in Nigeria. Their findings confirmed that earnings per share (EPS) consistently influenced share prices, while book value per share (BVPS) played a more prominent role in asset-heavy, non-financial firms. They also highlighted the importance of firm size, noting that larger companies tended to inspire greater investor confidence likely due to perceptions of financial stability and stronger governance structures.

However, not all studies align perfectly. Onuora and Olisaji (2021) [34], examining 75 non-financial firms between 2012 and 2021, reported that BVPS had a negative and statistically insignificant effect on share prices. EPS, on the other hand, remained the most reliable predictor of firm value. These contrasting results point to the possibility that the relevance of accounting metrics may vary depending on the sector, time period, and investor sentiment.

Dividend policies have also drawn attention in the Nigerian context. Ewereoke (2018) [14] and Okafor *et al*. (2017) [32] observed that firms with consistent dividend payouts especially in the consumer goods and banking sectors tended to enjoy stronger investor support. Dividends were seen not just as returns, but as signals of financial health and managerial confidence. These findings underscore the behavioral side of value relevance: investors respond positively to predictability and transparency.

Adding another layer, Okafor, Ogbuehi, and Anene (2017) [31] studied firms listed on the Nigerian Exchange (NGX) between 2006 and 2016 and found that cash flow from operations significantly enhanced the explanatory power of accounting data, particularly after Nigeria adopted IFRS. Their work suggests that investors value not just reported earnings, but also a company's ability to generate real cash from its core business activities.

Insights from other emerging and developed economies provide further context. In the Gulf region, Al-Ani and Tawfik (2021) [2] reported substantial heterogeneity across six countries: Saudi and Qatari markets remained highly sensitive to earnings reports, while investors in the UAE appeared less responsive. Intriguingly, the inclusion of intangible assets enhanced the relevance of accounting information in most Gulf markets, except in the UAE an anomaly that warrants further investigation into the market's structural peculiarities. Similarly, in Indonesia, Burhanuddin and Rahayu (2021) [8] emphasized the influence of behavioral factors, showing that nearly one-quarter of market movements could be attributed to psychological and pandemic-related anxieties rather than fundamentals.

In Europe, the discussion took yet another turn. Cimini (2021) highlighted the role of corporate governance, showing that gender diversity in leadership enhanced the perceived credibility of financial reports. This finding suggests that the usefulness of accounting information is shaped not only by numbers but also by governance structures and board composition.

Earlier studies had already signposted some of these themes. For example, Islam *et al*. (2014) [22], in their analysis of 22 Bangladeshi banks, concluded that EPS was one of the most powerful signals for investors, though its impact on share prices was moderated by broader macroeconomic conditions such as inflation and market stability. While dividends per share (DPS) also influenced investor decisions, their effect was generally weaker than that of EPS.

Theoretical Underpinning

This study draws on Fama's (1970) [15] influential Efficient Market Hypothesis (EMH), which argues that financial markets are quick to absorb and reflect all publicly available information in stock prices. In simple terms, EMH suggests that the moment new financial data like earnings reports or accounting disclosures comes into public domain, the market responds almost instantly, adjusting share prices to reflect that information.

For both scholars and investors, this idea carries weighty implications. If markets truly operate this efficiently, then share prices should offer a real-time, unbiased snapshot of a company's value. But here's the catch: while financial statements remain vital for understanding a firm's performance, the speed at which markets digest this information means that opportunities to consistently "beat the market" through arbitrage are essentially wiped out. It's a paradox investor need financial data, but the market may already be one step ahead.

However, it's crucial to recognize that the EMH exists along a spectrum of market efficiency. Our study operates under the semi-strong form efficiency assumption, where prices reflect all publicly available information, including accounting disclosures. This perspective is particularly relevant for our examination of value relevance, as it suggests that any meaningful financial information should theoretically produce observable price effects.

The human dimension of this theory lies in its recognition of market participants as sophisticated information processors. While individual investors may exhibit behavioral biases, the market as a whole demonstrates remarkable efficiency in aggregating and reflecting information through price mechanisms. This collective intelligence forms the theoretical foundation for our investigation into how accounting data translates into market valuations. Based on the literature review, the study seeks to test the following null hypothesis:

$H0_1$: The relevance of accounting earning was not affected by COVID-19 Pandemic among the listed service firms in Nigeria.

$H0_2$: The relevance of accounting book value of equity was not affected by COVID-19 Pandemic among the listed service firms in Nigeria.

$H0_3$: The relevance of accounting dividend was not affected by COVID-19 Pandemic among the listed service firms in Nigeria.

$H0_4$: The relevance of accounting cash flow from operations was not affected by COVID-19 Pandemic among the listed service firms in Nigeria.

3. Methodology

The study adopted correlational research design within the positivist research paradigm. Data analysis was carried out using multiple panel regression techniques with the aid of STATA software. The study spanned nine years (2016-2024), with 2016-2019 classified as the pre-pandemic period and 2021-2024 as the post-pandemic period. The year 2020 was deliberately excluded, as it represented the period of the COVID-19 disruption and served as a boundary separating the two sub-periods. The selection of this timeframe was guided by data availability as well as the unique influence of the COVID-19 pandemic. Two regression models were estimated, this is to test for the value relevance of accounting information individually in the two periods

The study population comprised all service firms listed on the Nigerian Exchange as of 31st December 2024. A sample of 20 firms was selected, because they are the ones with complete readily available dat. Secondary data were utilized: independent variables were obtained from published audited annual reports of the sampled firms, while information on the dependent variable was sourced from the Cash Craft Asset Management (stockbroker) website.

3.1 Model specification

The study was anchored on the Ohlson (1995) [30] valuation model, which establisheed share price as a function of earnings and the book value of equity. For the purpose of this research, the model was extended to include additional variables such as dividend per share, cash flow from operations, and firm size, two separate models were specified: one reflecting the pre-pandemic period and the other representing the post-pandemic period. The regression equations used for the analysis are presented as follows:

For pre COVID-19 period, the model is

$$SHP_{it}^{pre} = \beta_0 + \beta_1 EPS_{it}^{pre} + \beta_2 BPS_{it}^{pre} + \beta_3 DIV_{it}^{pre} + \beta_4 CFO_{it}^{pre} + \beta_5 FZ_{it}^{pre} + \varepsilon_{it}^{pre} \ldots\ldots\ldots \quad (1)$$

For post COVID-19 period, the model is

$$SHP_{it}^{pos} = \beta_0 + \beta_1 EPS_{it}^{pos} + \beta_2 BPS_{it}^{pos} + \beta_3 DIV_{it}^{pos} + \beta_4 CFO_{it}^{pos} + \beta_5 FZ_{it}^{pos} + \varepsilon_{it}^{pos} \ldots\ldots \quad (2)$$

To better understand the structure of the model used in this study, here's a simplified breakdown of each component

- SHPit represents the share price of a particular firm (*i*) during a specific year (*t*).
- EPSit stands for earnings per share, showing how much profit is attributed to each outstanding share of the firm in year *t*.
- BPSit refers to the book value per share, which reflects the net asset value allocated to each share in that same year.
- DIV captures the dividend per share, indicating how much the firm paid out to shareholders for each share held.
- CFO is the cash flow from operations, measuring the actual cash generated from the firm's core business activities.
- FZ denotes the firm size, typically measured by total assets or market capitalization, giving a sense of the company's scale.
- β_0 is the intercept, representing the baseline share price when all other variables are zero.
- β_1 to β_5 are the coefficients that show how much each independent variable influences the share price.
- εit is the error term, accounting for other factors not captured by the model.
- The subscripts i and t simply indicate that the data varies across different firms and over time.
- pre = prior to COVID-19 (2016-2019)
- pos = after COVID-19 (2021-2024).

3.2 Variables Measurement

To ensure clarity in measurement, the study variables were defined and applied as follows:

Share Price (SHP) was captured as the market value per share, sourced from the Cash Craft website exactly three months after the close of each firm's financial year. This approach follows the precedent set by Abubakar (2011) [46] and Bagudo (2016) [47], who emphasized the importance of post-reporting market reactions.

Earnings Per Share (EPS) was calculated by dividing the profit after tax attributable to ordinary shareholders by the total number of outstanding shares at the end of the reporting period. This method is widely accepted in financial reporting literature, including studies by Abubakar (2011) [46] and Mashoka (2022) [27].

Book Value Per Share (BPS) was determined by dividing the net shareholders' equity by the number of outstanding shares as of year-end. This reflects the residual value available to shareholders and follows the approach used by Bello (2009) [6] and Egiyi (2021) [48].

Dividend Per Share (DPS) was derived by dividing the total dividend declared by the number of ordinary shares outstanding at the end of the accounting period. This metric captures the direct return to shareholders and is consistent with the methodology of Mamuda (2015) [45].

Cash Flow from Operations (CFO) was measured by dividing the net cash generated from operating activities by the number of shares outstanding at year-end. This ratio provides insight into a firm's ability to generate real cash from its core business, as outlined by Zavodny and Prochazka (2022) [41].

Firm Size (FZ) was assessed using the natural logarithm of total assets, a common transformation that helps normalize data and reduce skewness. This approach is also supported by Zavodny and Prochazka (2022) [41].

4. Results and discussion of findings

In this section, the findings of the study are presented and subsequently used as the basis for drawing conclusions. The analysis begins with descriptive statistics, followed by the correlation matrix, tests for multicollinearity, heteroscedasticity diagnostics, and finally the regression results.

4.1 Descriptive Statistics

Table 4.1A below provides a summary of the key descriptive statistics for the study variables. It reports the mean, standard deviation, minimum, and maximum values.

Table 4.1A Descriptive Statistics of Pre COVID-19 Data

Variable	OBS	MEAN	MIN	MAX	STD DE
SHP	80	1.94	0.20	7.99	1.88
EPS	80	0.17	-1.86	1.30	0.55
BPS	80	2.99	-8.06	9.32	3.64
DPS	80	0.05	0.00	0.25	0.08
CFO	80	0.49	-6.19	4.12	1.50
FZ	80	10.35	8.50	11.06	0.65

The data covers six variables across 80 observations. On average, share prices stood at 1.94, but with values ranging from as low as 0.2 to as high as 7.99, a wide spread that suggests significant differences in how the market values these firms. The standard deviation of 1.88 further confirms this volatility, hinting at diverse investor expectations and sector-specific trends.

Additionally, earnings per share averaged a modest 0.17, though some firms posted losses with a minimum of -1.86, while others managed solid profits with a maximum of 1.30. This mix of positive and negative earnings implies that while some companies performed well, others struggled to stay profitable. Moreover, book value per share showed the most dramatic swings, with an average of 2.99 but extreme values ranging from -8.06 to 9.32. Such a broad range, coupled with a high standard deviation of 3.64, suggests that some firms may have faced severe financial strain, possibly due to heavy liabilities or asset write-downs.

In addition, dividends per share were relatively small with a mean value of 0.05, with some firms paying nothing at all. The variation as shows by the standard deviation value of 0.08 suggests that most companies either distributed minimal dividends or retained earnings for reinvestment. Cash flow from operations averaged 0.49, but the presence of negative figures as low as -6.19 indicates that some firms struggled to generate sufficient cash from core business activities a potential red flag for liquidity risk.

Finally, firm size, measured as a logarithmic transformation of total assets, displayed the least variation (SD=0.65). This relative consistency implies that the sample consists of firms of comparable scale, reducing concerns about size-driven distortions in the analysis.

Table 4.1B Descriptive Statistics of Post COVID-19 Data

VAR	OBS	MEAN	MIN	MAX	STD
SHP	80	1.88	0.20	6.06	1.65
EPS	80	-0.13	-1.95	1.65	0.70
BPS	80	2.90	-6.80	9.99	3.50
DPS	80	0.06	0.00	0.75	0.15
CFO	80	0.51	-0.68	7.91	1.32
FZ	80	9.70	8.78	11.08	0.67

From the above table, looking at share prices, they average 1.88, but range all the way from just 0.20 up to 6.06. That's a huge difference! The standard deviation of 1.65 tells us share prices are all over the place, investors clearly see these companies very differently. the earnings per share is concerning. On average, these companies are actually losing money -0.13 per share, with some losing as much as -1.95 per share. A few are doing okay up to 1.65 profit, but most seem to be in the red. The book value of equity raises some red flags too. While the average is 2.90, some companies have negative book value as bad as -6.80, meaning they owe more than they own. Others are doing quite well up to 9.99. Dividends per share tells an interesting story. Most companies pay very little average 0.06, with some paying nothing at all. But a few are paying up to 0.75 - more than ten times the average! Cash flow from operations show most companies are generating cash with an average of 0.51, but some are generating negative with a highest amount of -0.68 while others are doing well with the highest value of 7.91. Finally, company size FZ is the most consistent measure here. The numbers suggest we're looking at similarly-sized companies, so size probably isn't explaining the big differences we see in other measures.

4.2 Correlation matrix

The purpose of the correlation analysis is to determine both the strength and direction of the relationships between the dependent and independent variables, as well as among the independent variables themselves.

Table 4.2A Correlation Matrix of Pre COVID-19 Data

	SHP	EPS	BVPS	DPS	CFO	FZ
SHP	1.0000					
EPS	0.6402	1.0000				
BVP	0.4343	0.7574	1.0000			
DPS	0.6220	0.5295	0.4055	1.0000		
CFO	0.5569	0.6896	0.7523	0.2323	1.0000	
FZ	0.4980	0.5384	0.5322	0.5742	0.5690	1.0000

Table 4.2B Correlation Matrix of Pre COVID-19 Data

	SHP	EPS	BVPS	DPS	CFO	FZ
SHP	1.0000					
EPS	0.5234	1.0000				
BVP	0.5502	0.1956	1.0000			
DPS	0.6384	0.3432	0.4825	1.0000		
CFO	0.6290	0.5319	0.7629	0.5109	1.0000	
FZ	0.5290	0.4513	0.5432	0.5236	0.4879	1.0000

The results presented in Tables 4.2A and 4.2B indicate a positive relationship between the IVs and the DVs with all correlation values exceeding 0.30. Importantly, none of the correlations among the independent variables reached the threshold of 0.80, suggesting that multicollinearity is unlikely to be a concern. This interpretation aligns with the benchmark provided by Gujarati (2009) [18] and is further supported by the Variance Inflation Factor (VIF) test results reported below.

4.3 Multicollinearity Test

The results of the multicollinearity assessment are presented in the tables below. Specifically, the VIF values provide further evidence on whether collinearity exists among the independent variables.

Table 4.3A Multicollinearity Test Result of Pre COVID-19 Data

Variables	VIF	1/VIF
EPS	3.65	0.27
BVPS	3.14	0.32
CFO	3.04	0.33
FZ	1.49	0.67
DPS	1.19	0.84
MEAN VIF	2.50	

Table 4.3B Multicollinearity Test Result of Post COVID-19 Data

Variables	VIF	1/VIF
CFO	2.03	0.49
DPS	1.50	0.67
BVPS	1.46	0.69
EPS	1.35	0.74
FZ	1.33	0.75
MEAN VIF	1.54	

The results of the multicollinearity test, as shown in the tables, reveal average VIF values of 2.50 for the pre-pandemic period and 1.54 for the post-pandemic period. For all the independent variables, the Variance Inflation Factors (VIFs) fall between 1 and 10, which suggests that multicollinearity is not a concern in this model. In simpler terms, the variables are not excessively correlated with one another, meaning each one contributes unique information to the analysis. This conclusion is further supported by the 1/VIF values, which range between 10% and 100%, reinforcing the absence of multicollinearity (Gujarati, 2009) [18].

4.4 Heteroskedasticity test result

The heteroscedasticity test result for pre COVID-19 data as per the test conducted showed a chi2 value of 3.89 with a Probability value of 0.0369, this shows presence of heteroskedasticity according to (Gujarati, 2009) [18]. With this, the study conducted and reported the correlated panel corrected standard errors regression. Additionally, the heteroskedsticity test result for post COVID-19 data showed a chi2 value of 10.40 with a P. value of 0.0232, this shows absence of heteroskedasticity according to (Gujarati, 2009) [18].

4.5 Regression result table

The regression result reported by the study is as per the below table:

Table 4.4A: Regression Result for Pre COVID-19 DATA

Variables	Coefficient	Z-Value	P> (Z)
EPS	0.1352	3.13	0.000
BPS	0.2282	2.38	0.014
DPS	0.1240	5.62	0.000
CFO	0.5891	4.89	0.000
FZ	-0.3624	-3.94	0.000
CONS	4.5143	4.26	0.000
R. Squared	0.6081		0.000

From the regression output presented above, the model produced an R-squared value of 0.6081 with a probability value of 0.000. This indicates that the independent variables jointly explain about 60.81% of the variation in share prices at the 1% level of significance. The detailed results for each variable are interpreted as follows:

The analysis reveals that Earnings Per Share (EPS) has a coefficient of 0.14, with a probability value of 0.000, indicating a strong and statistically significant positive relationship with share prices at the 1% level. Put simply, for every one-naira increase in EPS, the average share price rises by 0.14 naira. This result aligns with the findings of Onuora and Olisaji (2021) [34] and Odoemelam and Wobo (2025) [29], although it contrasts with the evidence presented by Shammout (2020) [37].

Similarly, Book Value Per Share (BVPS) shows a coefficient of 0.23 and a probability value of 0.014, suggesting a meaningful positive impact on share prices at the 5% significance level. In practical terms, a one-naira increase in BVPS corresponds to a 0.23 naira increase in share price. This outcome supports the conclusions of Shammout (2020) [37] and Odoemelam and Wobo (2025) [29], but differs from the findings of Onuora and Olisaji (2021) [34], who reported a weaker link.

Dividend Per Share (DPS) also demonstrates a positive and highly significant relationship with share prices, with a coefficient of 0.12 and a probability value of 0.000. This means that each additional naira paid in dividends is associated with a 0.12 naira increase in share price. These results are consistent with the studies by Islam *et al*. (2014) [22] and Shammout (2020) [37], reinforcing the idea that dividend policies play a key role in shaping investor sentiment.

The impact of Cash Flow from Operations (CFO) is particularly strong, with a coefficient of 0.59 and a probability value of 0.000. This suggests that a one-naira increase in operational cash flow leads to a 0.59 naira rise in share price signifying the importance investors place on a firm's ability to generate real cash from its core activities. This finding echoes the conclusions of Okafor *et al*. (2017) [32].

Interestingly, firm size shows a negative relationship with share price, with a coefficient of -0.36 and a probability value of 0.000, significant at the 1% level. In other words, as firm size increases by 1%, share price tends to decline by approximately 0.36%. This result is in line with the observations of Hirdinis (2019) [20] and Odoemelam and Wobo (2025 [29]), though it contradicts the findings of Shammout (2020) [37], who reported a positive association.

Table 4.4B: Regression Result for Post COVID-19 DATA

Variables	Coefficient	Z-Value	P> (Z)
EPS	0.6201	1.99	0.051
BPS	0.1813	2.22	0.022
DPS	1.0302	2.87	0.004
CFO	0.2531	2.54	0.012
FZ	0.7114	5.18	0.000
CONS	-5.7723	-4.69	0.000
R. Squared	0.5112		0.000

The regression analysis shows that the model explains about 51.12% of the variation in share prices, with a highly significant probability value of 0.000. In other words, the combined influence of the selected financial indicators: EPS, BVPS, DPS, CFO, and FZ accounts for just over half of the changes observed in share prices, which is quite substantial. Looking at the individual variables:

Earnings Per Share (EPS) has a coefficient of 0.62 and a probability value of 0.051, indicating a positive and statistically significant relationship at the 10% level. This means that when a company's earnings per share increase by one naira, its share price tends to rise by about 0.62 naira. This finding aligns with the studies by Onuora and Olisaji (2021) [34] and Odoemelam and Wobo (2025) [29], although it contrasts with the results reported by Shammout (2020) [37].

Moreover, book Value Per Share (BVPS) shows a coefficient of 0.18 with a probability value of 0.022, suggesting a positive and significant impact at the 5% level. In practical terms, a one-naira increase in BVPS corresponds to a 0.18 naira increase in share price. This result supports the conclusions of Shammout (2020) [37] and Odoemelam and Wobo (2025) [29], but differs from the findings of Onuora and Olisaji (2021) [34].

In addition, dividend Per Share (DPS) stands out with a coefficient of 1.03 and a probability value of 0.004, indicating a strong and highly significant effect at the 1% level. This means that for every additional naira paid out in dividends, the share price increases by 1.03 naira a clear signal that investors respond positively to dividend policies. This result is consistent with the findings of Islam *et al*. (2014) [22] and Shammout (2020) [37].

Cash Flow from Operations (CFO) has a coefficient of 0.25 and a probability value of 0.012, showing a positive and significant relationship at the 5% level. This suggests that when a firm's operational cash flow increases by one naira, its share price rises by 0.25 naira. This finding reinforces the conclusions of Okafor *et al*. (2017) [32], highlighting the importance of real cash generation in investor decision-making.

Finally, the coefficient of firm size is 0.71 with a probability value of 0.000, implying a positive and highly significant

relationship with share prices at the 1% level. This means that a 1% increase in firm size is associated with a 0.71% increase in share price. The result is consistent with the conclusions of Hirdinis (2019) [20] and Odoemelam and Wobo (2025) [29], though it contradicts Shammout (2020) [37].

4.6 Discussion of findings

Chow test here produced a calculated value of 2.08 with a table value of 10.20, this signifies the test is not significant even at 10% level of significance. Hence, there is no difference between the coefficients in the models.

considering the Chow test result above that states there is difference between the value relevance of accounting information among the listed service firms in Nigeria before and after COVID-19 pandemic and given the fact that the relationship between earnings per share and share prices is positive and significant at 1% level in the pre pandemic; while it is positive and significant at 10% level in the post pandemic, However, due to the Chow test result reported above, we could not state which is better than the other. Therefore, we failed to reject the first null hypothesis that states 'the relevance of accounting earning was not affected by COVID-19 Pandemic among the listed service firms in Nigeria.'

Equally, looking at the Chow test and the regression results of the two models, it can be realized that book value of equity is positively related at 5% level of significance in both the two periods, However, due to the Chow test result reported above, we could not state which is better than the other. Hence, we failed to reject the second null hypothesis that says 'the relevance of accounting book value of equity was not affected by COVID-19 Pandemic among the listed service firms in Nigeria.'

Additionally, considering the coefficients and Probability values of Dividend in both the models, it can be deduced that they are both positively and significantly related at 1% level of significance. But, due to the Chow test result reported above, we could not state which is better than the other. Hence, we failed to reject the third null hypothesis that states the relevance of accounting dividend was not affected by COVID-19 Pandemic among the listed service firms in Nigeria.'

On cash flow from operations, the coefficient of the pre pandemic period is positive and significant at 1%; while the coefficient of the post pandemic is positive and significant at 5%. However, due to the Chow test result reported above, we could not state which is better than the other. Hence, we therefore failed to reject the fourth null hypothesis that says 'the relevance of accounting cash flow from operations was not affected by COVID-19 Pandemic among the listed service firms in Nigeria.'

5 Conclusions and Recommendations

This study explores how the COVID-19 pandemic influenced the way investors use financial information to assess the value of listed service companies in Nigeria. To uncover these insights, we analyzed data from company annual reports and stock market records, focusing on key financial indicators -earnings per share, book value, dividends, and cash flow. Interestingly, our findings show that no single financial metric stood out as significantly more important than others either before or after the pandemic. However, each of these measures still play a meaningful role in determining a company's stock price. Based on these results, we recommend that investors and analysts continue using earnings, book value, dividends, and cash flow when valuing companies regardless of economic conditions. For businesses, the takeaway is clear: boosting earnings should be a priority, as it does not only support dividend payments but also strengthens investor confidence. Additionally, companies should carefully manage their book value and maintain healthy cash flow levels to stay competitive in their industries. This study focused on Nigeria's financial service sector, future studies may focus on other industries, countries or markets

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